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Nevada Gaming Revenues
Calendar Year 1998 Analysis

TOTAL WIN, SLOT WIN, and GAME & TABLE WIN

Table 1 shows that total win grew 3.4% in calendar year 1998 with slot win growing 7.7%, but game & table win falling 3.9%. This result is not surprising given that slot win increased all twelve months of 1998, but game & table win actually decreased in nine of the twelve months of 1998. The 1998 growth in total win was about 2.7% below the average growth in total win observed during the 1990's. Over the nine-year period, 1990 - 1998, total win growth has averaged 6.1% with growth in slot win averaging 7.4% and game & table win growth averaging 3.9% during this period.

Slot win generated 65.3% of the total gaming win in 1998. This is 2.6% greater than that posted last year and the highest percentage ever observed. This is a significant increase in the contribution of slot win to total win after being relatively stable the past two years, 62.7% in 1997 and 62.8% in 1996. The 1998 percentage is 8.5% greater than 10 years ago, when slot win accounted for 56.8% of total win.

TABLE 1
Total Win, Slot Win, and Game & Table Win

Area	Total Win			Slot Win			Game & Table Win		
	1998	1997	% Change	1998	1997	% Change	1998	1997	% Change
Statewide	8,064,970,290	7,802,417,405	3.4%	5,266,687,951	4,891,418,322	7.7%	2,798,282,342	2,910,999,086	-3.9%
Clark County	6,347,696,977	6,152,335,322	3.2%	4,011,432,449	3,693,464,902	8.6%	2,336,264,529	2,458,870,420	-5.0%
Downtown Las Vegas	678,704,038	678,839,214	0.0%	496,432,834	479,313,147	3.6%	182,271,206	199,526,069	-8.6%
Las Vegas Strip	3,812,629,587	3,809,354,499	0.1%	1,940,350,459	1,822,553,233	6.5%	1,872,279,130	1,986,801,268	-5.8%
Laughlin	491,409,832	482,337,289	1.9%	410,428,967	398,439,564	3.0%	80,980,865	83,897,724	-3.5%
Boulder	512,555,882	416,232,161	23.1%	442,408,008	354,385,723	24.8%	70,147,873	61,846,439	13.4%
North Las Vegas	188,928,930	162,698,308	16.1%	164,981,785	138,990,221	18.7%	23,947,145	23,708,085	1.0%
Balance of County	663,468,708	602,873,851	10.1%	556,830,396	499,783,014	11.4%	106,638,310	103,090,835	3.4%
Washoe County	1,024,626,016	995,451,441	2.9%	748,624,865	722,391,622	3.6%	276,001,153	273,059,817	1.1%
Reno	775,790,828	751,379,516	3.2%	543,687,251	525,310,786	3.5%	232,103,578	226,068,727	2.7%
Sparks	154,053,446	150,665,933	2.2%	129,516,877	124,132,375	4.3%	24,536,567	26,533,557	-7.5%
North Shore Lake Tahoe	39,475,530	37,332,186	5.7%	27,909,537	25,248,473	10.5%	11,565,996	12,083,711	-4.3%
Balance of County	55,306,212	56,073,806	-1.4%	47,511,200	47,699,988	-0.4%	7,795,012	8,373,822	-6.9%
South Shore Lake Tahoe	308,733,214	294,498,875	4.8%	184,912,129	181,136,857	2.1%	123,821,085	113,362,018	9.2%
Carson Valley Area	81,011,439	73,786,855	9.8%	72,703,594	64,835,797	12.1%	8,307,845	8,951,059	-7.2%
Elko County	207,138,450	198,351,749	4.4%	159,248,904	148,362,388	7.3%	47,889,541	49,989,362	-4.2%
Wendover	109,106,569	100,308,875	8.8%	79,479,117	70,538,251	12.7%	29,627,451	29,770,626	-0.5%
Balance of County	98,031,881	98,042,874	0.0%	79,769,787	77,824,137	2.5%	18,262,090	20,218,736	-9.7%

Win from nickel slot machines increased 34.3% in 1998 after growing 11.3% in 1997, actually posting double-digit increases all twelve months of 1998. Win from nickel slot machines accounted for 15.7% of total slot win in 1998, a 3.1% increase over last year. Win from quarter slot machines increased 3.0% in 1998 and generated 46.0% of total statewide slot win, compared to 48.0% last year. Dollar slot machines win was 26.7% of total statewide slot win, down from 29.4% in 1997. Win from this category of slot machines fell 2.2% in 1998. This is the third consecutive year of decline in dollar slot machine win, falling 0.9% in 1997 and 0.4% in 1996.

Twenty-one, which accounted for 35.6% of total game & table win, declined 2.4% in 1998, the first decrease in the last six years. Win from baccarat fell 19.5% and accounted for 16.3% of total game & table win, down from 19.4% last year. Win from craps increased 6.6% in 1998 and generated 14.8% of game & table win, up from 13.3% last year. Roulette win grew 9.3% in 1998, after falling 2.1% last year. Roulette win accounted for 8.1% of total game & table win, about 1% more than last year. Win from mini-baccarat increased 14.9% in 1998, the five consecutive year of double-digit increase. Although mini-baccarat accounts for only 4.2% of game & table win, its percentage has steadily increased during the 1990's, accounting for only 0.7% in 1990.

Win from sports pool activity fell 13.8% in 1998. The sports pool category accounted for 2.8% of game & table win and 1.0% of total win in 1998. Win from football wagering was down 10.3%, accounting for 37.3% of total sports pool win. The basketball component of the sports pool category increased 51.5% and generated 27.6% of total sports pool win, compared to 15.7% last year. Win from wagering on baseball activity decreased 71.8% and accounted for 6.0% of total sports pool win in 1998, compared to 18.5% in 1997. The gaming win from wagering on other sports pool activity posted a 7.0% decrease in 1998. This category of sports pool activity accounts for 8.3% of total sports pool win in 1998, up from 7.7% last year.

Win from race books decreased 1.0% in 1998, the second consecutive decline. Race book win accounts for 3.2% of total game & table win and only 1.2% of total win. Win from the race pari-mutuel category of race books recovered in 1998, growing 13.1% after falling 0.4% in 1997. Race pari-mutuel represented 106.2% of total race book win during 1998.

Although baccarat was a significant contributor to the negative growth observed in game & table win in 1998, excluding this component still shows weakness in the remaining game & table components. In 1998, game & table win excluding baccarat still fell slightly, declining 0.2%, versus the 3.9% decrease reported above for total game & table win. Total win in 1998 grew 3.4%, but grew 5.1% excluding baccarat win.

SLOT COIN-IN and GAME & TABLE DROP

Table 2 displays the coin-in from slot machines and drop from games & tables. Total slot coin-in grew 4.8% statewide in 1998. This is stronger than the 3.3% increase posted in 1997, but still below the average growth rate of 8.0% established during the 1990's. Statewide drop from games & tables increased 1.2% during 1998, just slightly stronger than last year, but below the average growth posted during the 1990's of 5.0%. In fact, the activity on games & tables, measured by drop, has been relatively weak that last three years, decreasing 1.5% in 1996 and increasing only 1.0% in 1997.

TABLE 2
Slot Coin-In and Game & Table Drop

Area	Slot Coin-In			Game & Table Drop		
	1998	1997	% Change	1998	1997	% Change
Statewide	103,019,281,166	98,262,226,664	4.8%	20,135,849,611	19,889,983,768	1.2%
Clark County	77,253,399,526	73,255,124,883	5.5%	17,394,768,657	17,191,921,856	1.2%
Downtown Las Vegas	9,791,888,444	9,896,717,900	-1.1%	1,593,239,301	1,794,052,892	-11.2%
Las Vegas Strip	32,801,642,947	32,141,079,541	2.1%	13,787,970,129	13,545,615,220	1.8%
Laughlin	7,560,149,867	7,634,069,208	-1.0%	458,808,433	468,734,197	-2.1%
Boulder	10,383,853,413	8,658,720,174	19.9%	593,085,385	502,445,504	18.0%
North Las Vegas	4,394,973,312	3,985,985,284	10.3%	217,106,705	216,817,512	0.1%
Balance of County	12,320,891,543	10,938,552,776	12.6%	744,558,704	664,256,531	12.1%
Washoe County	15,444,567,817	14,947,424,621	3.3%	1,631,997,334	1,606,005,448	1.6%
Reno	11,097,389,662	10,721,206,591	3.5%	1,352,724,096	1,314,312,636	2.9%
Sparks	2,985,493,701	2,906,016,790	2.7%	164,972,060	172,048,381	-4.1%
North Shore Lake Tahoe	502,799,730	457,175,620	10.0%	76,693,084	79,200,538	-3.2%
Balance of County	858,884,724	863,025,620	-0.5%	37,608,094	40,443,893	-7.0%
South Shore Lake Tahoe	3,635,474,227	3,535,991,676	2.8%	770,831,599	746,718,862	3.2%
Carson Valley Area	1,609,827,374	1,550,202,075	3.8%	51,868,102	50,962,757	1.8%
Elko County	3,366,826,613	3,327,130,463	1.2%	249,905,851	255,169,376	-2.1%
Wendover	2,052,221,354	1,963,523,134	4.5%	159,630,879	162,035,898	-1.5%
Balance of County	1,314,605,259	1,363,607,329	-3.6%	90,274,972	93,133,478	-3.1%

Nickel slot machine coin-in increased 42.1% during 1998, after increasing 15.3% in 1997. This is the strongest growth observed in nickel slot coin-in during the 1990's and the second consecutive double-digit increase. This strength was observed throughout the whole year, increasing by double-digit magnitudes in each of twelve months of 1998. In contrast, coin-in from quarter slot machines grew 1.7% in 1998. This is the smallest increase posted in the 1990's on coin-in from quarter slot machines and the second consecutive relatively weak year, increasing only 2.2% last year. The coin-in from dollar slot machines fell 3.2% during 1998. This is the second consecutive decline observed in dollar slot coin-in in the 1990-1998 period, after falling 1.0% in 1997.

Nickel, quarter, and dollar slot machines combined account for 86.4% of total slot coin-in, or 10.9%, 43.7%, and 31.8%, separately. These three denominations accounted for about 1.2% less of the total coin-in in 1998 than in 1997. Nickel slot coin-in as a percent of total coin-in was 10.9% in 1998 versus 8.0% in 1997. This increase in share of 2.9% is the largest year-to-year change observed during the 1990's. Nickel's coin-in share has been steadily increasing during the 1990's, the percentage was 6.6% in 1990. Quarter slot's share of total coin-in continued to fall in 1998, but still accounted for 43.7% of total coin-in. This is basically the fifth consecutive year of decline in quarter slots share of total coin-in after posting its peak in 1993 of 46.3%. Although dollar slots generated 31.8% of total coin-in in 1998, this is 2.7% below the 34.5% share in 1997. Dollar slot's percentage of total slot coin-in has fallen each year since 1990, when dollar slots generated 39.9% of total coin-in. The percentage of coin-in from higher denomination slot machines (\$5, \$25, \$100, and \$500) has risen during the 1990's. Although the percentage is still small compared to quarter and dollar slot machines, these four categories of slot machines accounted for 8.6% of 1998 total coin-in versus 6.0% in 1990.

Drop from baccarat decreased 9.3% in calendar 1998. Actually, this decline is the third consecutive year of decrease in baccarat drop, falling 19.7% and 0.1% in 1996 and 1997, respectively. This is after observed double-digit growth during the 1993 - 1995 period, when average growth over these three years was 28.6%. Twenty-one drop increased 4.5% during 1998, significantly better than the 1.5% in 1997. Activity on craps improved dramatically in 1998 after three weak years. Drop on craps increased 6.4% after growing 1.5% in 1995, falling 0.9% in 1996, and growing 0.7% in 1997. Drop on roulette increased 8.2% in 1998, after increasing 3.5% last year. Drop on mini-baccarat increased 11.2% in 1998. This is the fifth consecutive year of double-digit growth in mini-baccarat drop. In fact, there has been strong double-digit growth in mini-baccarat drop in eight out of the last nine years with an average growth of 31.9% over this 1990-1998 period.

Twenty-one, baccarat, craps, roulette, and mini-baccarat account for 76.4% of total drop on games & tables. In 1998, twenty-one's percentage of drop was 37.8%, up from 36.6% last year. This is the third consecutive year of increase in twenty-one's share of total drop, but still below the early 1990's share of 40-41%. After accounting for 13.9% of total game & table drop in each of the last three years, craps share of total drop increased to 14.6% in 1998. This is below the percentage in the early 1990's when craps generated 18.0% of total drop during 1990-1991. In 1998, baccarat's share of game & table drop fell to 14.9%. This is down 1.7% from the 16.6% posted in 1997 and below the average share of 16.2% over the 1990-1998 period. Mini-baccarat's percentage of total drop has steadily increased during the 1990's, from 0.7% in 1990 to 4.2% in 1998. Roulette's percentage has also increased during the 1990's, although not steadily, generating 4.9% of total drop and surpassing the previous high observed during the 1990's of 4.7% in 1994.

Wagering on the sports pool activities decreased 6.7% in 1998, the second consecutive year of decrease in the amount wagered in the sports pool. Sports pool wagering accounted for 11.3% of total game & table drop. Football wagering, which accounts for 40.3% of 1998 sports pool wagering, fell 3.8% in 1998, after declining 3.5% and 5.0% in 1996 and 1997. Similarly, wagering on basketball decreased 14.9% after falling 1.4% and 6.0% in 1996 and 1997. Basketball wagering represented 24.0% of total sports pool wagering during 1998, down from 26.3% in 1997. The baseball category accounted for 26.6% of total sports pool wagering, virtually unchanged from 26.7% last year. However, wagering on baseball activity decreased 7.0% in 1998. Wagering on sports parlays increased 2.0% during 1998, after declining 14.5% in 1997, the only time wagering on this category has fallen during the 1990's. Sports parlay wagering generated 3.0% of the total 1998 wagering in the sports pool. Wagering in the other sports pool category increased 10.1% in 1998, accounting for 6.0% of sports pool wagering.

Wagering in race books increased 14.7% in 1998. Race book wagering accounts for about 3.7% of total game & table drop. After decreasing for the first time during the 1990's in 1997, pari-mutuel race book wagering increased 19.8% in 1998. Pari-mutuel wagering generated 81.4% of total race book wagering during 1998.

SLOT and GAME & TABLE WIN PERCENT

Table 3 displays information on the win percent from slot machines and games & tables. The win percent is the percentage of coin-in from slots and drop from games & tables kept by nonrestricted licensees as gaming win.

Table 3 shows that the average slot win percent of 5.11% in 1998 was 0.13% higher relative to 1997. This explains why slot win grew about 3.0% stronger than the increase in coin-in during 1998. If the average win percent in 1997 would have been at the 1997 level of 4.98%, total statewide slot win would have grown 4.8%, the rate of increase in slot coin-in in 1998.

This is the second consecutive increase in the annual win percent on slots during the 1990's. During the period, 1990-1996, the annual slot win percent declined each year from a high of 5.28% in 1990 to a low in 1996 of 4.91%. The average win percent during the 1990's was 5.04%.

The game & table win percent of 13.90% for 1998 was 0.74% below 1997's win percent. The 1998 game & table win percent of 13.90% was 0.52% below the average win percent during the 1990's of 14.42%. The game & table win percent excluding baccarat activity and win would have been 13.68% in 1998, compared to 14.15% in 1997.

TABLE 3
Slot and Game & Table Win %

Area	Slot Win %			Game & Table Win %		
	1998	1997	Change	1998	1997	% Change
Statewide	5.11%	4.98%	0.13%	13.90%	14.64%	-0.74%
Clark County	5.19%	5.04%	0.15%	13.43%	14.30%	-0.87%
Downtown Las Vegas	5.07%	4.84%	0.23%	11.44%	11.12%	0.32%
Las Vegas Strip	5.92%	5.67%	0.24%	13.58%	14.67%	-1.09%
Laughlin	5.43%	5.22%	0.21%	17.65%	17.90%	-0.25%
Boulder	4.26%	4.09%	0.17%	11.83%	12.31%	-0.48%
North Las Vegas	3.75%	3.49%	0.27%	11.03%	10.93%	0.10%
Balance of County	4.52%	4.57%	-0.05%	14.32%	15.52%	-1.20%
Washoe County	4.85%	4.83%	0.01%	16.91%	17.00%	-0.09%
Reno	4.90%	4.90%	0.00%	17.16%	17.20%	-0.04%
Sparks	4.34%	4.27%	0.07%	14.87%	15.42%	-0.55%
North Shore Lake Tahoe	5.55%	5.52%	0.03%	15.08%	15.26%	-0.18%
Balance of County	5.53%	5.53%	0.00%	20.73%	20.70%	0.02%
South Shore Lake Tahoe	5.09%	5.12%	-0.04%	16.06%	15.18%	0.88%
Carson Valley Area	4.52%	4.18%	0.33%	16.02%	17.56%	-1.55%
Elko County	4.73%	4.46%	0.27%	19.16%	19.59%	-0.43%
Wendover	3.87%	3.59%	0.28%	18.56%	18.37%	0.19%
Balance of County	6.07%	5.71%	0.36%	20.23%	20.70%	-0.48%

The average win percent on nickel slot machines was down 0.43% from 7.81% to 7.38% in 1998. The annual win percent on nickel slot machines has fallen each year from 1990-1998 from a high of 9.13% in 1990. The average win percent on quarter slot machines increased 0.07% from 5.30% in 1997 to 5.37% in 1998. This is the third straight year of increase in the annual average win percent on quarter slot machines after declining during most of the first half of the 1990's. The average annual win percent on quarter slot machines during the 1990-1998 period is 5.24% with a high of 5.39% in 1990. The average win percent on dollar slot machines in 1998 increased 0.05% to 4.30%. This is the first increase posted during the 1990's and after two relatively stable years, when the average win percent on dollar slots was 4.25% in 1996 and 1997. However, 1998's level of 4.30% is still well below the observed high during the 1990's of 4.71% in 1990.

The average win percent on baccarat decreased 1.92% during 1998 from 17.06% to 15.14%. The average win percent on baccarat wagering during the 1990's is 15.60%. Although the average win percent on baccarat is below the average observed over the 1990's, it is still the fourth highest average hold posted in this nine year period. The average win percent on twenty-one was down 0.92% from 14.00% to 13.08% in 1998. This is the lowest average win percent on twenty-one during the 1990's and 0.96% below the nine-year average win percent of 14.04% during the 1990's. The craps win percent increased slightly by 0.03% on average during 1998 from 14.06% to 14.09%. This increase comes after

0.1% declines in the average win percent on craps in both 1996 and 1997. The average annual win percent on craps during the 1990's is 14.17%. The average win percent on roulette increased by 0.23% in 1998 from 22.97% to 23.20%. This is 0.12% above the average win percent on roulette established during the 1990's of 23.08%. The average win percent on mini-baccarat increased for the third consecutive year from 13.42% to 13.86% which is just 0.02% higher than the average annual win percent during the 1990-1998 period of 13.84%.

The average win percent in the sports pool decreased 0.28% from 3.69% to 3.41% in 1998 which is below the average win percent during the 1990's of 3.49%. The win percent on football wagering decreased 0.23% to 3.15% in 1998, below the average hold of 3.34% over the 1990-1998 period. The average basketball win percent was 3.92%, a 1.72% increase from 1997 and also above the average 1990's win percent of 2.69%. During 1998, 0.77% of the wagering on baseball was kept, a 1.79% decrease over the 1997 average win percent and below the average hold of 1.78% over the 1990-1998 period. The win percent on sports parlay wagering decreased 6.57% to 23.20% during 1998, well below the average hold of 26.34% during the 1990's. The win percent in the other sports pool category was 4.74% in 1998 versus 5.60% in 1997. The other sports pool category posted an average win percent of 3.64% over the 1990's.

In 1998, the average win percent on race book wagering was 12.55%, down 2.00% from 1997. The 1998 win percent was well below the average win percent in the race book over the 1990's of 15.19%. The average win percent of pari-mutuel race book wagering fell to 16.38% in 1998, from 17.35% in 1997. However, the 1998 average win percent was almost identical to the 1990's nine-year average of 16.37%.